

HONORABLE MARSHA J. PECHMAN

UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

IN RE WASHINGTON MUTUAL
MORTGAGE BACKED
SECURITIES LITIGATION

This Document Relates to: ALL
CASES

Master Case No. 2:09-cv-00037-MJP

CLASS ACTION

**NOTICE OF PENDENCY OF
CLASS ACTION**

**Your legal rights might be affected
if you are a member of the following group:¹**

All persons or entities who purchased or otherwise acquired the following WaMu Mortgage-Pass Through Certificates: 2006 AR-7 tranche 2A; 2006 AR-12 tranche 1A1; 2006 AR-16 tranches 2A1, LB1, LB2, LB3, 3B1, 3B2, and 3B3; 2006 AR-17 tranche 1A; 2006 AR-18 tranche 2A1; and 2007-HY1 tranches 1A1 and 3A3 ("WAMU Certificates") on or before August 1, 2008 pursuant and/or traceable to their Registration Statements and accompanying Prospectuses filed with the Securities and Exchange Commission ("Offering Documents") and who were damaged thereby.

The Class contains *only* the following securities identified by their CUSIP numbers:

Offered Certificates		
Offering	Class	CUSIP
WAMU 2006-AR7	2A	93363CAB5
WAMU 2006-AR12	1A1	93363NAA3
WAMU 2006-AR16	3B1	92925GAP8
	3B2	92925GAQ6
	3B3	92925GAR4
	LB1	92925GAL7
	LB2	92925GAM5
	LB3	92925GAN3
	2A1	92925GAC7
WAMU 2006-AR17	1A	92925DAA8
WAMY 2006-AR18	2A1	933637AC4
WAMY 2007-HY1	1A1	92925VAA8
	3A3	92925VAK6

If you purchased any WaMu Mortgage Pass Through Certificate other than the specific securities listed above, you *are not* a member of the class.

¹ The Class does not include any of the Defendants in the lawsuit, their officers and directors at all relevant times, members of their immediate families, and their legal representatives, heirs, successors or assigns and any entity in which any Defendant has or had a majority interest.

A Federal Court authorized this notice. This is not a solicitation from a lawyer. You have not been sued.

1. Why did I get this Notice?

The Court in charge of this lawsuit has ordered that this Notice be sent to persons who are included in the above group to advise them that this lawsuit has been certified as a class action and that they are Class Members. You received this Notice because you were identified as a potential Class Member. In a class action, one or more people files suit on behalf of others with similar claims, called Class Members. If you are a Class Member, your rights will be affected by this lawsuit.

The Class, which is more specifically defined above, consists of purchasers of the WaMu Certificates pursuant and/or traceable to the Offering Documents prior to August 1, 2008 who were damaged thereby. Plaintiffs in the lawsuit and representatives of the Class are Doral Bank of Puerto Rico (“Doral”), Policemen’s Annuity and Benefit Fund of the City of Chicago (“PABF”), and Boilermakers National Annuity Trust (“Boilermakers”). Defendants named in the lawsuit are WaMu Asset Acceptance Corp. (“WMAAC”), WaMu Capital Corp., David Beck, Diane Novak, Rolland Jurgens and Richard Careaga (collectively, “Defendants”).

This Notice only advises you of the existence of the lawsuit and of your rights if you are a Class Member. The Court has not made any determination as to the ultimate merits of the claims or the defenses in the lawsuit. If you received this Notice but are not a Class Member, you do not need to take any action. Your rights will not be affected.

2. What is this lawsuit about?

Plaintiffs brought this lawsuit on behalf of themselves and other similarly situated purchasers of the WaMu Certificates identified above that were issued by WMAAC and underwritten by WaMu Capital Corporation.

This lawsuit alleges that Defendants violated Sections 11, 12(a)(2) and/or 15 of the Securities Act of 1933 by misstating and omitting from the Offering Documents information about the systematic disregard of the stated underwriting guidelines used to originate the mortgage loan collateral that supported the Certificates, and that these alleged misstatements and omissions artificially inflated the value of the Certificates during the Class Period. On September 28, 2010, the Court granted in part Defendants’ Motion to Dismiss, dismissing the Section 12 and 15 claims in their entirety, as well as the Section 11 claims related to appraisals, loan-to-value ratios and credit ratings. The Court also dismissed the claims against the Rating Agencies and the individual defendants not currently named in the suit. In addition, the Court dismissed all claims related to offerings in which the named Plaintiffs themselves did not purchase securities.

The lawsuit alleges, *inter alia*, that Defendants falsely represented that the underwriting guidelines set forth in the Offering Documents were used to “evaluate the prospective borrower’s credit standing and repayment ability”, and the value and adequacy of the mortgaged property as collateral;” that exceptions to the underwriting guidelines were granted only “where compensating factors were demonstrated by the borrower;” and that Washington Mutual ensured that the loans were “originated in accordance with” the stated underwriting guidelines when, in fact, these guidelines were systematically disregarded in the origination of the

Certificate collateral. Defendants have denied and continue to deny all of these allegations.

3. What is the Plaintiff asking the Court to do?

The lawsuit asks the Court to find that the Defendants have violated the federal securities laws for the reasons referenced above, and that Plaintiffs and the Class are entitled to damages. The lawsuit also seeks interest, attorneys' fees, costs and other relief. Certification of the Class by the Court is not an assurance that Class members will recover damages. Entitlement to, and the amount of any damages awarded, must be proven by Plaintiffs at trial. Currently, the trial date is set for September 17, 2012.____

4. How can I see a copy of the documents in the case?

You may review a copy of the current Complaint, the Class Certification Order and certain other documents in the case, by visiting the following websites: <http://www.cohenmilstein.com/> or <http://www.scott-scott.com>. If you are interested in reviewing copies of other publicly filed documents in the case, you may either write or email Class Counsel at the address listed below requesting copies of those documents or visit the United States District Court for the Western District of Washington, Seattle.

5. How have the Defendants responded to the claims in this Litigation?

Among other things, Defendants deny all of the allegations of wrongdoing made against them in this lawsuit. Without limiting the generality of the foregoing, Defendants deny that any statements in the Offering Materials were inaccurate or misleading, that the Offering Materials omitted any material information, and deny any liability to Plaintiffs or any other Class Members. Defendants assert that Plaintiffs and other Class Members have not been damaged, and that any alleged losses suffered by Plaintiffs or other Class Members and/or any reduction in the alleged market value of the WaMu Certificates or the collateral underlying the WaMu Certificates was the result of market forces and not any wrongdoing by Defendants.

6. Do I have a lawyer in the case?

The Court has approved the following law firms to serve as Lead Counsel for the Class:

<p>COHEN MILSTEIN SELLERS & TOLL PLLC Steven J. Toll Joshua S. Devore 1100 New York Avenue, NW Suite 500 West Washington, DC 20005 Telephone: (202) 408-4600 Email: stoll@cohenmilstein.com jdevore@cohenmilstein.com</p> <p>Christopher Lometti Daniel Rehns</p>	<p>SCOTT+SCOTT LLP Anne L. Box Hal D. Cunningham 707 Broadway, Suite 1000 San Diego, California 92101 Telephone: (619) 233-4565 Facsimile: (619) 233-0508 Email: abox@scott-scott.com hcunningham@scott-scott.com</p> <p>Beth Kaswan 500 Fifth Avenue, 40th Floor</p>
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88 Pine Street, 14th Floor New York, N.Y. 10005 Telephone: (212) 838-7797 Email: clometti@cohenmilstein.com drehs@cohenmilstein.com	New York, New York 10110 Telephone: (212) 223-6444 Facsimile: (212) 223-6334 Email: bkaswan@scott-scott.com
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The Court has approved these law firms to serve as Class Counsel, but you have the right to also retain your own counsel at your own expense (though you are not required to retain separate counsel). Class Counsel intends to seek a remedy on behalf of all class members.

7. How will the lawyers be paid?

Counsel for the Class has agreed to pursue this Class Action on a contingent fee basis. This means that all attorneys' fees and expenses are payable only out of money recovered for the Class, if any. Moreover, any such award is subject to approval by the Court.

Class Members will not have to separately pay lawyers any additional amounts (unless they retain their own separate counsel).

8. How do I participate in this Class Action?

If you fall within the definition of the Class set forth above, you are a Class Member. **YOU DO NOT NEED TO DO ANYTHING AT THIS TIME.**

As a Class Member, and unless you exclude yourself from the Class in the manner described in section 9 below, you will be bound by any judgment entered or settlement reached in this lawsuit, whether favorable or unfavorable. An unfavorable judgment will NOT reduce the amount of your investment. **No judgment has been entered or settlement reached at this time.** In the event that a proposed settlement of the lawsuit is reached, it will be subject to approval by the Court. You will receive notice of any such proposed settlement, and Class Members who have not previously excluded themselves will have an opportunity to object to the terms of the proposed settlement, and may be required to submit a Proof of Claim to demonstrate their entitlement to any payment.

Any Class Member who does not request to be excluded from the Class, and does not wish to be represented by Counsel for the Class appointed by the Court, may also enter an appearance in the lawsuit through their own counsel, at their own expense.

9. How can I exclude myself from the class?

If you wish to be excluded from the Class, you must submit a direction in writing to be excluded in accordance with the instructions in the next paragraph. If you choose to be excluded: (1) you will NOT be entitled to share in any recovery from any settlement or judgment, if any, that may be paid to members of the Class as a result of a trial or other settlement of this lawsuit; (2) you will NOT be bound by any judgment or release entered in this lawsuit; and (3) at your own expense, you MAY pursue any claims that you have by filing your own lawsuit or taking other action.

To be excluded, a person shall mail, by first class mail, a written direction to be excluded from the Class, **postmarked no later than [60 days from the date of this Notice], 2012** addressed to the Notice Administrator at: **WAMU MBS LITIGATION EXCLUSIONS c/o The Garden City Group, Inc., PO Box 9875, Dublin, OH 43017-5775**. In order to be valid, any direction to be excluded must set forth following information: (i) the directing person or entity's name, address, daytime telephone number, e-mail address (if any) and signature; (ii) details of all transactions in the WaMu Certificates that were purchased, otherwise acquired, or sold at any time prior to August 1, 2008 (the "Class Period"), including the amounts of and date(s) on which such Certificates were purchased, otherwise acquired, or sold; and (iii) a statement that such person or entity "directs that they be excluded from the Class in the *In re Washington Mutual Mortgage Backed Securities Litigation*, 2:09-CV-00037 (MJP)." The direction must be signed by such person or duly authorized representative of such entity and must attach documentation, in the form of brokerage statements, bank statements, trade confirmations or the like, evidencing any and all transactions, including purchases and sales, in the WaMu Certificates. **You should only direct to be excluded if you do NOT wish to participate in the Class Action and do not wish to share in any potential recovery that the Class may obtain.**

10. How can I find out more?

This Notice contains only a summary of the litigation and your rights as a potential Class Member. For more detailed information regarding the matters involved in this litigation, please refer to the papers on file in this litigation, which may be inspected at the Office of the Clerk of Court, United States Courthouse, 700 Stewart Street, Suite 2310, Seattle, WA 98101 (or are available online for a fee by obtaining a password at www.uscourts.gov). Inquiries regarding this litigation may be addressed to Class Counsel or the Notice Administrator at the following:

Class Counsel:	Notice Administrator:
<p>COHEN MILSTEIN SELLERS & TOLL PLLC Steven J. Toll Joshua S. Devore 1100 New York Avenue, NW Suite 500 West Washington, DC 20005 Telephone: (202) 408-4600 Email: stoll@cohenmilstein.com jdevore@cohenmilstein.com</p> <p>Christopher Lometti Daniel Rehns 88 Pine Street, 14th Floor New York, N.Y. 10005 Telephone: (212) 838-7797 Email: clometti@cohenmilstein.com drehns@cohenmilstein.com</p> <p>SCOTT+SCOTT LLP Anne L. Box Hal D. Cunningham 707 Broadway, Suite 1000</p>	<p>WAMU MBS LITIGATION c/o The Garden City Group, Inc. PO Box 9875 Dublin, OH 43017-5775 Telephone: 1-800-757-9279 info@WAMUMBSLitigation.com</p>

<p>San Diego, California 92101 Telephone: (619) 233-4565 Email: abox@scott-scott.com hcunningham@scott-scott.com</p> <p>Beth Kaswan 500 Fifth Avenue, 40th Floor New York, New York 10110 Telephone: (212) 223-6444 Email: bkaswan@scott-scott.com</p>	
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If this Notice was mailed to you at an old address, or if you move, please advise the Notice Administrator of your current address at the above address so that you can receive any future Notices.

11. Notice to Persons or Entities Holding Ownership on Behalf of Others

All brokerage firms, banks and/or other persons or entities who purchased WaMu Certificates during the Class Period as a nominee for a beneficial owner are, within fourteen (14) days after receipt of this Notice, requested to: (1) provide a list of names and addresses of such beneficial owners to the Notice Administrator who will complete the mailing of this Notice to such owners; or (2) send a copy of this Notice by first class mail to all such beneficial owners. Should a nominee choose to have the Notice Administrator complete the mailing of the Notice, the list of beneficial owners should be provided to the Notice Administrator at:

WAMU MBS LITIGATION
 c/o The Garden City Group, Inc.
 PO Box 9875
 Dublin, OH 43017-5775
 Telephone: 1-800-757-9279
 info@WAMUMBSLitigation.com

You may obtain from the Notice Administrator (without cost to you) as many additional copies of these documents as you will need to complete the mailing.

Regardless of whether you choose to complete the mailing yourself or elect to have the mailing performed for you, you may obtain reimbursement of reasonable administrative costs actually incurred in connection with forwarding the Notice and which would not have been incurred but for the obligation to forward the Notice, upon submission of appropriate documentation to the Notice Administrator.

**PLEASE DO NOT CALL THE COURT OR THE CLERK'S OFFICE
 REGARDING THIS NOTICE.**

DATED: this ____ day of ____, 2012.

Hon. Marsha J. Pechman
 United States District Court Judge